Agricultural Credits- 1933

What *Is* Farm Relief?

KENYON L. BUTTERFIELD

THE American farmer is on the edge of catastrophe. This ominous fact is obscured by several characteristic attitudes of present-day urbanism. Public opinion, dominated by the city's point of view, found it easy during the days of plunging prosperity to discount the "hard luck stories" that accompanied the period of eight or nine lean years for the farmer following 1920. The general debacle of 1929 gave the non-rural people troubles of their own to meditate about. The consciousness that the economic status of 30 million farm-dwellers is a matter of concern to trade and industry has but slowly percolated into the urban mind. Even now the edge of urban interest is dulled by the redeeming grace of farming: that so long as he can retain a piece of land to "work", the farmer is neither unemployed nor in danger of starving.

The more obvious aspects of the present agricultural distress are four in number.

1. The ratio between the table-land of prices farmers get for their products and the prices they pay for supplies and services. Since 1920 the farmers have been seriously disadvantaged in this respect and at present are handicapped nearly two to one.

2. An increase of mortgage indebtedness in 20 years from three to ten billion dollars, which does not affect all farmers but unfortunately does lie on the backs of those farmers living on some of the best land and needing considerable capital.

3. Changes in the value of money, the effect of which seems to be more serious upon the farmers than upon groups that can make more rapid adjustments.

4. An increase in taxation which represents not merely a general tendency, but which, in view of the range of farm prices added to fixed interest charges, makes taxation almost confiscatory.

This situation begins to appeal even to a public interest now thoroughly saturated with depression psychology, because we begin to see that the American farmer, who, with all his faults and all his difficulties, was until 1920 on his way up, has since that time been steadily on his way down. If such a course persists, it will mean nothing less than catastrophe for the farmer and will put a heavy burden upon the general economic structure of the entire country.

What is to be done about it? During the last decade there has been a series of laws enacted that represent very considerable endeavor to assist the farmer. They have not availed to avert the decline—they may have modified its speed. Measures proposed by the farmers, doubtless radical in character, have either failed in Congress or have received the presidential veto. The Hoover Farm Board was not an agrarian project. The incoming administration has promised legislation at an early date. There are two approaches to this question, interrelated doubtless, but to be rather sharply distinguished in practical steps. One is "farm relief"; the other is the abiding rural problem. We may hope that relief measures will be sound and permanently helpful. But primarily they are designed for an emergency, and in an emergency measures may be quite justified that would be rejected in long-term planning.

World Tomorrow 2-15-33 New York N.Y.

THREE forms of relief are now under discussion: relief from a price level for farm products seriously lower than the price level for non-farm products; relief from a debt too heavy to be borne; relief from a monetary deflation that aggravates the other two difficulties. A fourth form of relief is demanded, namely, lower taxes; but this is a matter largely for state and county governments to deal with, whereas "farm relief" involves mainly Federal legislation.

Relief from the disparity between agricultural and non-agricultural prices is contemplated in the domestic allotment plan, which has recently been modified to a "farm parity plan." The essential principle of the earlier plan was "paying producers a free-trade price plus the tariff duty for the part of their crop which is consumed in the United States." For the part that is exported the farmer would get the world price. Growers would be allotted the right to sell in the home market, and consequently overproduction, normally stimulated by higher price, would be prevented. It was intended to apply experimentally at first only to wheat and cotton—major crops with a large traditional export outlet. The plan finally agreed upon by the farmers' organizations has changed the basis of the excise tax from the tariff rate to the sum representing the difference between current price and pre-War purchasing parity. It is to apply also to tobacco, hogs and possibly dairy products.

Will the allotment plan work? Nobody knows. Agricultural economists are sharply divided in their opinion about its practicability. Should it be tried? By all means. The farmers have been pressing for ten years to get legislation that will give them that parity of price that they consider elementary justice. All their efforts have come to naught. Alternative legislation, like the Farm Board scheme, has not availed. This plan, like its predecessors, the McNary-Haugen scheme for an equalization fee, which twice had a presidential veto, and the debenture plan, which never passed Congress, was based on the tariff, and conformed to the plea which the farmers have made for years that the tariff should benefit them as fully as industrialists. Unlike its predecessors, the allotment plan provides for the restriction of production.

There are farm commodity interests in opposition to the plan, as there will always be in so complex an industry as agriculture. The criticism that it will raise the price of products to the consumer seems beside the mark, for it is a bit difficult to see how the farmer can get a fair price unless the consumer will pay a fair price. Moreover, any additional gains on the part of the farmer will immediately be spent for goods and services that he does not himself provide. It is a serious question whether the change of basis in the plan, from fixed tariff rates to shifting price differences, may not have been economically, tactically, and practically, a mistake. But some such scheme as the domestic allotment plan should be tried.

THE second form of aid, debt relief, is contemplated in the mortgage emergency plan. It is sometimes asserted that the increase of farm mortgage indebtedness is the result of speculative land buying. There was some such buying during the War, but it accounts for but a small proportion of the increase. Legitimate farm purchases for owner's use, ten years of reduced prices and of increasing taxes, high prices for farm and household equipment, and doubtless to some extent the endeavor to maintain a standard of living which includes an automobile, high school and college education for children, and so on, have brought upon the farmer this unprecedented burden of debt. The farm organizations have agreed on measures involving private adjustments between mortgage holders and their debtors, extension of terms by Federal Land Banks, arbitration boards for local adjustments, and Federal legislation and financing that will permit a refunding of farm indebtedness at a lowered rate of interest—possibly as low as 1½ per cent.

The "honest dollar" plan constitutes the third approach to relief, protection against a deflated currency. The farmers have often been accused of being "soft-money" advocates. Broadly speaking, they feel more acutely perhaps than any other class the difficulties of adjusting themselves to shifts in monetary values. They are not so much inflationists as reflationists. They demand a stabilized currency. At the moment there seems to be no monetary measure which farm organizations are sponsoring, but there is little doubt that if some formula could be devised that would guard against excesses, the responsible farm leaders would coöperate with those economists and financiers who recognize that the farmer has some claim to consideration at this point.

THERE are, rather obviously, two main questions as to these plans: Can bills embodying the plans be enacted into law? Will such laws "work" economically?

The political phase reveals factors apparently basic in American affairs and destined to affect agrarian legislation for an indefinite future: first, the competition of commodity interests among farmers themselves; and second, the country-city economic conflict. If wheat is to be favored, why not dairy products—or peanuts? And why wheat at the expense of dairymen who would purchase for cattle-feed some of the products of wheat? And why again wheat, at the expense of consumers of bread, which means everybody? As with price, so with debt and money—how justify legislation for the benefit of a group?

Nevertheless, the chances are in favor of the enactment of legislation along all three lines. The number of cotton growers, wheat farmers, producers of hogs and corn, and mortgaged farmers, and the general body of farmers driven to the wall, are in combination probably irresistible. Moreover, the Democratic Party is seriously pledged to provide farm relief. No one knows whether the party would have won if the rural vote in the North had followed its traditional allegiance; but it is perfectly clear that the overwhelming "mandate" laid upon the new administration is for distinctive agrarian legislation. The chief danger is that bills may be passed so loaded with qualifications that out-and-out plans for specific forms of relief may not get a fair chance in the operation of the laws actually enacted.

In plans for farm relief the reduction of farmers' taxes must not be overlooked. However, unless we can evolve and apply a scheme of reserving the income tax for Federal application, returning a part of it to the States with the condition that they adopt reforms in the property tax, there seems little hope of any uniform reduction in the tax burden on farmers. Doubtless some gains will come out of the sheer insistence of the farm vote, made effectual in various state legislatures.

On the economic issue, the doctors plainly disagree. As a matter of fact, the results of proposed legislation are quite unpredictable, in any strict sense. The very causes of the farm depression are so extremely complex, the forces in play are so widespread, shifts in conditions are so probable, that he is indeed an adventurous soul who is confident of either success or failure of the various plans. But each plan is favored by a body of agricultural and general economists of such standing that the layman may well conclude that the schemes are worth trying. Furthermore, the farm situation is so desperate that common sense dictates that any plan that has a reasonable measure of promise should be given the opportunity of proving its value.

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First Farm Loan to Illinois Farmer

The first loan under President Roosevelt's $200,000,000 Emergency Farm Loan Bill was made at the St. Louis office of the Federal Land Bank. Photo shows E. A. Purvines of Pleasant Plains, Ill., (right) receiving a $3,500 check from Commissioner E. J. Bodman, (left) as Mrs. Purvines looks on. In the rear is Wood Netherland and O. J. Lloyd, president and vice-president of the St. Louis Federal Land Bank.

Where and How Loans Are Made Under The New Federal Emergency Farm Mortgage Act

Special to The Tuskegee News Through Autocaster Service:

In the first two days after the passage of the Federal Emergency Farm Mortgage Act, applications for relief were received from 1,269 farmers. Most of these applications were sent to Washington, indicating that few farmers know where the Federal Land Banks for their districts are located.

There are twelve of these banks, and in connection with each of them a Loan Commissioner to operate under the new law has been appointed. These new loans are made to refinance farm indebtedness, provide capital for farm operations and to aid in the redemption of foreclosed farms. They are not, primarily, made for the purpose of refinancing farm first mortgages. That is to be done through the Federal Land Banks working in connection with the present holders of first mortgages.

There Are Loan Limits

Loans under the new law are limited to $5,000 to any one farmer. The amount that may be loaned, added to existing mortgages or other debts secured by the farm property, cannot be more than sufficient to bring the total debt up to three-quarters of the appraised value of the property. These are second mortgage loans, repayable over a series of years, and an agreement has to be obtained from the holder of the first mortgage that he will not proceed against the farmer for failure to pay the principal of the first mortgage.

Applications for loans under the new law should go to the Federal Land Banks for the district in which the farm is located. These districts are:

First District; Springfield Mass. Serves the states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York and New Jersey. Charles Windholz, Commissioner's agent.

Second District; Baltimore, Md. For Pennsylvania, Delaware, Maryland, West Virginia, Virginia and the District of Columbia. George Stevenson, agent.

Third District; Columbia, S. C. For North and South Carolina, Georgia and Florida. Henry S. Johnson, agent.

Fourth District; Louisville, Ky. For Ohio, Indiana, Kentucky and Tennessee. Agent not yet appointed; address simply "Federal Land Bank, Louisville."

Fifth District; New Orleans, La. For Alabama, Mississippi and Louisiana. William L. Pryor, agent.

Sixth District; St. Louis, Mo. For Illinois, Missouri and Arkansas. Ernest J. Bodman, agent.

Seventh District; St. Paul, Minn. For Michigan, Wisconsin, North Dakota and Minnesota. Jerry P. Riordan, agent.

Eight District; Omaha, Neb. For Iowa, Nebraska, South Dakota and Wyoming. Bert Waddell, agent.

Ninth District; Wichita, Kansas. For Oklahoma, Kansas, Colorado and New Mexico. Graves Shull, agent.

Tenth District; Houston, Tex. For the state of Texas alone. A. P. Graves, agent.

Eleventh District; Berkeley, Calif. For California, Nevada, Utah and Arizona. William H. Woolf, agent.

Twelfth District; Spokane, Wash. For Washington, Oregon, Idaho and Montana. J. A. Scollard, agent.

How To Get Loan

Farmers desiring to borrow under the new law should write for information to the agent for their district. Address "Loan Commissioner's Agent, Federal Land Bank" and the name of the city in which district headquarters are located.

It takes a little time to get action. Local appraisers have to be called in to look over the property and examine title and records of existing mortgages, but the Farm Board promises to move as fast as possible in each case, and some loans were actually made within a few days after the law was passed.

The first loan was to Elijah Purvines of Sangamon County, Ill., on a farm which he has owned and operated for 31 years. This was for $3,500 and was made through the Federal Land Bank of St. Louis. The second loan under the act was to W. H. Chapman of Whitley, S. C. who borrowed $2,000 under the act on a first mortgage on his property.

10 Farm Credit Banks Decreed For This State

Will Make $12,500,000 Available For '34 Crop At Low Rate Of Interest

One Assured Here

Location Of Others To Be Determined At Meetings Beginning Next Week

By GRADY TANNELL

The Government has embarked on the most far-reaching agricultural and livestock loan program in the history of the nation. Under the new machinery which is to be set into motion in January, approximately $12,500,000 will be available for crop production loans to farmers of Alabama, according to announcement here yesterday by representatives of the new Production Credit Association.

One of the first steps in evolving this gigantic agricultural program will be the organization of 10 Production Credit Association banks in the State. Plans are to have them all ready for operation not later than Jan. 15. These institutions, it was learned, will be located at strategic points, each serving from five to seven or eight counties.

Montgomery has already been assured one of the banks. It will absorb the present Regional Agricultural Credit Corporation on Commerce Street of which Y. M. Quinn, of Russellville, is manager. Mr. Quinn was elected recently to succeed Jesse B. Hearin, who resigned to become manager of the Production Credit Association with headquarters in New Orleans.

Meetings Start Next Week

Meetings preparatory to the permanent organization of the group of credit corporations will begin next week, the first being at Bay Minette on Dec. 22. The Montgomery conference is scheduled on Dec. 27. Meetings are to be held at the following places: Bay Minette, Ozark, Auburn, Montgomery, Demopolis, Tuscaloosa, Talladega, Gadsden, Huntsville, and Russeville. No credit bank can be established until authorities in Washington approve the location.

Where the banks left off during the depression in their credit accommodations to farmers, the Government proposes to take up and carry on, to the end that no person, worthy of a loan as low as $50, shall be deprived of the benefits. In fact, this action of the Government is a warning to bankers that credits must be made easier to the farmer and livestock man.

Under the new plan of distributing credit, the Government will put up the bulk of the capital. When a farmer makes his original application for a loan he will be required to buy B stock in the association to the amount of five per cent of the loan. Subsequent loans will be made without this stock-purchase provision, it is explained.

Six Per Cent Interest

The farmer will be charged six per cent interest for the time he actually uses the money for producing his crop, which will not average longer than six months. That will mean, officials of the credit organization point out, that loans will be about three per cent per annum, whereas, for years, many farmers have paid as high as 30 per cent interest on money.

Only the B stock, to be owned by the borrowers, is to be voting stock. Instead of paying dividends on both A and B stock, the Government proposes to create a surplus for retiring the A stock and eventually to withdraw its capital.

These association banks are expected to supplant the old organization that negotiated seed and feed loans to farmers. That regional bank serving Alabama and other Southern States is at Memphis.

Mr. Hearin attended a recent meeting of farm leaders at Auburn and explained in detail the method of operation of the Agricultural Credit Association banks.

TENANT FARMERS LOOK ASKANCE AT A. A. A. PLAN

WASHINGTON, October 26—(ANP)—A swelling sea of inquiry and apprehension has been rolling toward Washington and the Agricultural Administration Act, ever since the announcement of the fact that a new cotton control plan would be put into vogue for 1934.

The new act will require farmers to plow under a certain portion of their cotton acreage and in the absence of any definite information, tenants on cotton farms, thousands and thousands of whom are Negroes, and planters themselves have been wondering, what provision would be made to take care of the tenant on the cotton plantation.

A high official in the agricultural administration granted an interview last Tuesday to an Associated Negro Press representative. Asked what would happen to the tenant farmer and whether plantation owners might be able to plough under tenant land, collect forfeit, but not share, with the tenant, the correspondent was assured that the tenant would be protected, although the method of working it out was giving everyone a great deal of concern.

"The details of the cotton contract," the agricultural department official said, "that will be offered to landowners and operators has not yet been agreed upon. Differences of opinion exist in the Department as to whether the rental payment should or can be divided on any basis between the landowner or tenant, or whether they must all go to the landowner or operator. Inasmuch as the contract is a rental contract chiefly, the owner of the land, either under absolute title or cash lease, is the only man who can likely sign a rental contract. No one else has any control of the land.

"Two propositions are under consideration. First, requiring the landlord or owner to promise in his contract to credit tenants with certain shares of the rental payment. The other which is urged as an optional plan is to pay the rental payment direct to the landowner or operator without any requirements for division of payment, but that he obligates himself to maintain on the farm the same number of tenants that were on the farm in 1932 and to allocate the cotton to be grown on the farm among such tenants, and that the land rented from him by the government shall be turned over to these tenants, rent free, for the purpose of enabling them to grow food and feed for their family and the livestock needed for their own family consumption. The purpose behind this, of course, is to prevent landowners from releasing large numbers of tenants who would have no place to go and thereby become public charges.

"If the tenants are allowed to keep a cow, a brood sow and chickens and have ample land free of rent to grow food for the family and ample feed for this livestock, and then participate not equitably in the growing of the cotton that is produced, I believe that the tenant on the big plantation will really be in a better position by reason of his program than he has ever been before, even though he should get no part of the land rent payments.

"If some pressure is not brought to bear in this way to induce landlords to keep tenants, there is likely to be a serious social problem resulting from the large number of tenant families who may be dismissed from the plantations"

Thomas M. Campbell, chief of Negro Extension workers in a number of southern states is known to have made a number of suggestions regarding development of a constructive program for the protection of tenant formers. It is probable that the Farmers' Conference to be held at Tuskegee, on December 6 and at which time there will be also held a regional Emergency Advisory Council meeting, covering a number of states will discuss very fully the A. A. A. as it relates to the cotton farmer.

FUNDS ASKED FOR NEGRO FARMERS

Equitable Distribution Of CWA Money Urged By Leaders

WASHINGTON—(AP)—A group of Negro leaders, constituting an advisory board to the Department of Commerce, Friday appealed "for an equitable share of federal funds" for Negro farmers.

The board which requested both more money and more representation for Negroes on federal agencies dealing with them, was first named to discuss the civil needs of the Negro. Later it was made permanent.

The Commerce Department Friday released a summary of the board's recommendations which said, in part:

"In certain sections of the Far South, Negroes form the major part of the farming population. From this consideration, it semes obvious that this large group of the population should have substantial representation in all planning for the improvement of the business of farming and should share fully in representation in all boards, bureaus and committees that affect directly the communities in which Negro farmers live and work.

"In addition to an appeal for representation on the various price-fixing, planning and crop allotment board, the board makes a further appeal for an equitable share of federal funds, made available for farmers through the Federal Farm Loan Banks and the intermediate credit banks."

The report also contended that "the American Negro is being placed at a disadvantage with respect to his economic and social advancement through: 1. The curtailment of the elementary school term; 2. The inadequacy of educational facilities on the secondary school level; 3. The frequent inability of the Negro to guarantee his child an education on the collegiate level."

Farmers Of 12 Counties Found Credit Unit Here

Elect Directors Who Will Apply For Charter And Name Bank's Officials

Will Open Soon

Production Loans Up To $2,000,000 Available For Montgomery Area

Organization of the Montgomery Production Credit Association here yesterday at an enthusiastic meeting of outstanding farmers representing the 12 counties in the area served by the agency, marked the beginning of a new era of agricultural and livestock credits for the State and the South.

Nine directors, four of them from Montgomery County, were elected after Jesse B. Hearin, president of the Credit Production Corporation of New Orleans, and Dr. Roy L. Thompson, of Louisiana State University faculty and a representative of the Washington Production Credit office, outlined in detail the objectives of the "New Deal" program of financing for farmers.

Three representatives from each of the counties elected the following as directors: C. W. Rittenour, E. T. Davis, I Fred Solomon, and N. J. Bell, Montgomery County; Paul L. Smith, Autauga; J Litt Edwards, president of the Alabama Farm Bureau Federation, Dallas; J. N Dennis, Chilton; E. H. Pritchett, Wilcox; B. H. Lightfoot, Pike. As the by-laws limit the directors to nine, some of the counties can not have representation on the board. Other counties to be served by the local bank are Elmore Coosa, Bullock, Lowndes, Crenshaw and Butler.

Application will be made at once by the directors to Washington for a charter. Immediately after the charter has been granted, the directors will meet here and elect a president, vice-president and a secretary-treasurer. The last officer, it was announced, will be the executive in charge of the office.

The Montgomery bank, as well as the other nine similar agencies in the State, will begin functioning early in 1934, officials said. The initial capital available for Alabama totals $7,500,000 and the amount will be increased to $10,000,000 or more if necessary. The local bank will be in position to open a $2,000,000 line of credit to farmers in the 12 counties, Mr. Hearin told the representatives.

$2,000,000 Available

The local bank will have "A" stock aggregating $400,000, which will be invested in Government bonds. The credit production agencies will be financed through the Intermediate Bank at New Orleans, and five times the amount of the capital, or $2,000,000, will be available for the Montgomery institution by the Intermediate Bank in rediscounting the paper handled here.

Mr. Hearin explained that, while the interest rate to the borrower will vary as money is cheap or high, the rate for 1934 will likely be six per cent for the time used. He told the farmers that 95 per cent of the farmers had paid banks in the past several years at the rate of 30 per cent per annum for money. The rate, it is understood, will run higher where loans are obtained from landlords and other advancing individuals or firms.

The new set-up provides for the issuance of "B" stock, the only voting stock in the association, to farmers when making their first loan. Five per cent of the loan is to be diverted to the payment of this "B" stock. Dividends to stockholders can not exceed seven per cent per annum, but Mr. Hearin suggested using the profits to retire the "A" capital stock.

Depends on Patrons

The Nation, he said, is in the midst of a cooperative stage, which is evidenced by the Government in its various "New Deal" programs. The success or failure of the new credit enterprise, continued Mr. Hearin, depends to a large measure upon the men and women who are joint owners of the institution. The establishment of the credit corporations, he asserted, is the first move ever made by the Government for organizing a permanent system of credits for the farmers and livestock industry.

Mr. Hearin warned the farmers not to look for a Santa Claus to emerge from the new banking agency. No loan can be made, he went on, unless the Intermediate Credit Bank in New Orleans is willing to discount the paper, and the rate of interest will go up or down in proportion to the bad loans. "Great care should be exercised by the directors and the management of the agency in determining the moral risk of the borrower," Hearin added. He explained that the minimum charge for inspection be $2. There will be other mi charges in connection with the mation of loans.

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ALLEGE HYDE USED LOANS TO HELP HOOVER

1-7-33

Activities of Secretary of Agriculture Cited in Missouri.

Baltimore Sun

DR. CROSSLAND IS MENTIONED

Office Closed after Big Fuss Is Raised.

WASHINGTON, D.C.—Secretary of Agriculture Arthur M. Hyde used seed loans and crop-production loans for political purposes, Representative John J. Cochran, Democrat, of Missouri, charged in the House last Wednesday.

He charged that during the presidential campaign the Agriculture Department opened a second office in St. Louis, two blocks away from the regular seed loan and crop-production office. Dr. J. R. A. Crossland, a special supervisor of the Agriculture Department, was put in charge and given ten assistants, Mr. Cochran said.

Dr. Crossland

Dr. Crossland became very active, Mr. Cochran stated, and started sending out letters, one of which was as follows:

"The Secretary of Agriculture,
Crop Production oLan Office,
St. Louis, Mo., Oct. 28, 1932.

"Dear Friend; Your letter, requesting nformation as to the Government loans o farmers, has been received in this office.

"This office has been created, under he Reconstruction Finance Corporation, o aid colored farmers. Loans are made o farmers on livestock, farm land, and other articles than can be offered as proper security. If you wish a loan or any of your farm property or produce make application to this office, stating clearly the number of acres that you have, the amount of indebtedness that you have on same at the present time, he number of livestock that you have, he location of your farm, its productive value, and the amount you wish to borrow.

"Upon receipt of this application in this office, made in letter form, we shall proceed further to inform you as to the possibilities of your securing a loan. We have no literature at present on the farm loans, but your application will be submitted to the director in charge of the bank for the Reconstruction Finance Corporation and will receive the attention that is necessary to put the loan through.

"Very truly yours,
"Dr. J. A. R. Crossland,
"Special Supervisor, U.S.
"Department of Agriculture."

Couldn't Lend Money

"Under the very act," said Mr. Cochran, "they could not have loaned a dime at the time that letter was written, because they were not permitted to make any more loans. But he said that office had been opened for the purpose of making loans and he was addressing the colored people. They segregated the applications of colored farmers and white farmers, and they turned the applications of the colored farmers over to Doctor Crossland, but I understand since I made a lot of noise out there they are going to close up that branch office."

Biological Jim Crow

"Would the gentleman call that biological Jim Crowing?'" asked Representative Fiorello H. LaGuardia, Republican, of New York, as the House broke out in laughter

FARM RELIEF HOPE AT THIS SESSION BELIEVED SCANT

Constitution

2-2-33

Irate Illinois Creditor Seizes Property Sold for $4.90, Charging "Conspiracy To Defraud."

By the Associated Press.

While the conviction deepened Wednesday among congressional leaders that the hope for comprehensive farm relief at this session is a slim one, dispatches from Monticello, Ill., brought the first news of creditor reaction to the current drive to suspend or forestall foreclosures on farm property.

W. A. Doss, holder of a $2,750 chattel mortgage on farm property which sold Tuesday for $4.90, seized the implements and live stock, taking them away by truck. Doss, a lawyer, charged that the bidding in of the property at low prices was a "conspiracy to defraud."

Meantime, 1,000 Oklahoma farmers at Cherokee halted an auction at a widow's farm by escorting the mortgagee's agent away from the scene of the sale shouting, "There'll be no foreclosures in Alfalfa county!"

At Pine Bluff, Ark., Chancellor Harvey R. Lucas reiterated his previous stand against the issuance of foreclosure papers while times remain as they are.

Notices urging farmers to assemble to prevent forced land sales scheduled for next Monday were posted by unidentified persons in Anderson, S. C.

LITTLE HOPE IS SEEN FOR FARM RELIEF ACTION

WASHINGTON, Feb. 1.—(AP)—Conviction deepened among congressional leaders tonight that no comprehensive farm relief program can be enacted this session.

Chieftains of both parties were virtually agreed that the time remaining before March 4 is too short and the jam of appropriation bills and other measures is piling too high to permit passage of any important farm legislation except possibly an emergency mortgage relief bill.

Such contingency would mean that he five-point program of farm rehabilitation drawn up by organized agriculture would have to await the special session expected to be called early in the Roosevelt administration.

Program's Provisions.

As controversial as it is sweeping in its outlines, the program calls for: Raising the price of basic agricultural products by means of the domestic allotment plan; setting up a $1,000,000,000 federal corporation to lend money to farmers on first or second mortgages; creating a nation-wide system of "conciliation commissioners" to adjust farm debts; strengthening the federal land banks to permit them to take over all sound farm mortgages, grant extension and reduce interest; and, finally, liquidate the joint stock land banks.

Farthest along the legislative road is the domestic allotment bill passed by the house nearly three weeks ago but now making very slow progress in the senate agriculture committee. Hearings are nearing an end and the committee will then get to work on the measure, but some members have remarked that they feel it is all a "sham battle" because of their certainty of a Hoover veto.

A senate banking subcommittee, headed by Senator Fletcher, democrat, Florida, has started hearings on the "emergency farm credit" bill introduced by the democratic leader, Robinson, of Arkansas, which embraces most of the remaining features of the program, but even its sponsor has little or no hope of its passage this session.

Instead, Robinson has thrown his weight behind efforts to get through a comparatively simple measure to provide temporary aid for the thousands of farmers faced with the threat of foreclosure.

R. F. C. Relief Urged.

Such a bill is that of Senator Hull, democrat, Tennessee, which would provide for $1,000,000,000 of loans by the Reconstruction Corporation for the purpose of enabling farmers to make interest and installment payments, pay taxes in arrears more than a year and obtain agreement not to foreclose for two years.

During testimony on the Robinson bill today, Senator Barkley, democrat, Kentucky, remarked:

"It is going to be practically impossible. We are almost at the end of the session."

Charles G. Henry, of Memphis, Tenn., representing the American Cotton Co-operative Association, was on the stand vigorously advocating the Robinson bill, the principles of which he helped formulate.

He replied to Barkley that the Hull bill would be "just a bite." Such proposals, he said, are "fine but they don't go far enough."

HOLDER OF MORTGAGE SEIZES AUCTIONED PROPERTY

MONTICELLO, Ill., Feb. 1.—(AP)—W. A. Doss, of Monticello, holder of a $2,750 chattel mortgage on farm property which sold yesterday for $4.90, today seized the implements and live stock and took them away by truck.

Irate farmers, following the example set elsewhere in the corn belt, had refused to permit competitive bidding when Doss foreclosed his mortgage at the C. D. Brady farm in Champaign county.

"It was a conspiracy to commit fraud," Doss said, "so I have seized the property on a writ of replevin."

Three Pratt county constables drove over muddy roads to the Brady farm, where no one was at home. Doss said the machinery and live stock would be held at another farm, four miles away, until ownership is determined by court action.

Doss said he sent the following telegram to Governor Henry Horner:

"If the bidders are successful in settling debts in this manner, we are face to face with anarchy. It is simply a question of whose claim is strongest."

Meanwhile, in Iowa, the state legislature working in the heart of the mortgage depressed farm belt, was caught in a disagreement between senate and house. In a three-hour session the senate voted unanimously for a mortgage arbitration bill which was considered less drastic than the house measure.

The house measure amounts virtually to a mortgage moratorium until March 1, 1935. The senate bill, on the other hand, provides arbitration must be resorted to before a mortgage foreclosure suit can be filed, and that a court can take jurisdiction of a property and leave the mortgagor in possession in foreclosure proceedings, if it seems advisable.

At Des Moines, Iowa, Milo Reno, militant leader of the Farmers' Holiday Association, declared the Iowa house had not gone far enough. He called its measure "an imbecile attempt to provide an alibi for the legislature's refusal to consider a legal farm moratorium."

A 10-cent sale developed at Aurora, Neb., where 800 farmers came to the W. C. Brock farm and bid in farm equipment on which the defunct Fidelity State bank of Aurora had a chattel mortgage, for 10 cents an implement. The property was returned to Brock.

OKLAHOMA FARMERS HALT MORTGAGE SALE

CHEROKEE, Okla., Feb. 1.—(AP) More than 1,000 farmers, shouting "There'll be no mortgage foreclosures in Alfalfa county," halted auctioning of a widow's farm and escorted the representative of a mortgage holding concern out of town today.

The representative, Ancel Greer, of Kingfinsher, Okla., attorney for the Equitable Life Assurance Society, offered to bid in the quarter-section farm for the full amount of an $8,400 judgment against Mrs. Julia Jobes.

The farmers cried "no compromise" and forced Greer's departure. He offered no resistance.

MORTGAGE RELIEF PROPOSALS MADE BY ALABAMA SOLONS

MONTGOMERY, Ala., Feb. 1.—(AP)—Legislation designed to give relief to financially distressed owners of mortgaged farms and homes was gaining favor in the Alabama legislature today despite the fact that these measures were not included in Governor B. M. Miller's call that assembled the law makers here in special session yesterday.

Homstead exemption bills were introduced in both houses seeking to lift the tax burden of the small farmer, and Representative Charles S. Culver, of Gadsden, Ala., was sponsoring a measure to decrease deficiency judgments by providing for an appraisal board of disinterested parties to set a fair value on property sold to satisfy mortgages.

The Culver bill, which its author claimed "would stop the foreclosure of mortgages on thousands of Alabama homes and farms," awaited committee action with prospects bright for a favorabel report.

The senate judiciary committee gave a favorable report to the Teasley bill to void crop mortgages not given in the year the crop was raised.

"This will relieve farmers whose crops in 1931 and 1932 did not produce enough to pay off their debts. Under the present crop mortgage system, many farmers mortgage their crops two and three years ahead, selling themselves hopelessly in debt," said Senator Charles B. Teasley, of Montgomery, author of the measure.

ARKANSAS CHANCELLOR AIDS STRICKEN DEBTORS

PINE BLUFF, Ark., Feb. 1.—(AP) Chancellor Harvey R. Lucas tempers justice with a little moratorium.

More than 500 farmers and home owners faced with foreclosure know the joy of his familiar ruling: "The case against the debtor will be continued for the term."

At the first court session at Star City yesterday the chancellor reiterated his stand on foreclosure.

"I am not going to foreclose on any farm or home where the people living there have any chance of pulling through," he said.

The chancellor's plan of helping

debtors pull themselves through includes payment of a monthly rental by the mortgagor to cover interest and taxes.

MOVE BEGUN TO STOP CAROLINA LAND SALES

ANDERSON, S. C., Feb. 1.—(AP)—An apparent effort to prohibit land sales under mortgage foreclosures Monday was in evidence here today when unidentified persons posted placards saying "Stop land sales Monday by your presence at the square. Protest against land sales."

Monday is the usual time for foreclosure sales. H. E. Bailey, probate judge, said ten sales had been scheduled.

MORTGAGE LENDING AGENCIES IN NEW YORK ADJUST RATES

NEW YORK, Feb. 1.—(AP)—Without any public announcements, savings banks, title companies and other conservative mortgage lending agencies in the metropolitan area have brought about a readjustment of interest rates which has greatly eased the burdens of 90 per cent of local mortgages, the Post said today.

Those who have benefited have been individual owners of homes and apartment buildings who, through no fault of their own, have found it impossible to meet interest payments on their mortgage contracts and have appealed for lower rates.

FARM FORECLOSURE KILLING IS UNSOLVED BY JURY

PLEASANTON, Kan., Feb. 1.—(AP)—Fragmentary evidence introduced at a coroner's inquest today only deepened the mystery surrounding the fatal shooting of Luther D. Marr, 67-year-old Kansas City real estate dealer, after he attended a farm foreclosure sale at Mound City, Kan., Monday.

The coroner's jury found Marr was killed by a bullet in the head, fired at close range by a "person unknown."

Witnesses testified they saw a strange man at the scene of the shooting on a gravel road south of here, at about the time Marr was picked up in a dying condition.

Mrs. Marr, who did not attend the inquest, told officers her husband before attending the sale of the farm, on which he held the mortgage, expressed concern about a "rough bunch" which might "waylay me."

TWO MORE CONVICTED IN SEED LOAN FRAUD

DOTHAN, Ala., Feb. 1.—(AP)—Two additional verdicts of guilty and six pleas of guilty were recorded today in seed loan trials in federal court.

Following the second conviction of J. Lillian Crawford, vice president of the closed Dothan National bank, in 24 hours, Judge C. B. Kennamer, presiding, gave a directed verdict of guilty against John Sanders, Sr., president of the closed Dothan National bank, on a conspiracy charge.

Later, six defendants indicted jointly on a conspiracy charge, pleaded guilty. They were S. Buford Mullins, R. Loftin Mullins, B. Pat Mullins, John Jack Mullins, Walter B. Mullins, and Floyd W. Kelly, all Houston county farmers. A severance was taken in the case of S. A. Mullins, Houston county tax collector, and he probably will be tried tomorrow.

Sentence will be passed on Crawford, Sanders and others pleading guilty on February 9.

Trials At Dothan Continue Today

Testimony Against Fraud Defendants Heard; Tax Collector Pleads Guilty

DOTHAN, ALA., Feb. 2.—(Special)—Trial of J. E. Z. Riley, Ozark banker, Henry T. Donnell, Daleville merchant and planter, his daughter, Miss Marie Donnell and G. W. Ray, former Dale County farm agent, on charges of conspiracy to defraud the Government in connection with seed loans to about 50 farmers, will be resumed in the United States District Court tomorrow morning.

The Government today had not completed its testimony in the case and indications were that the trial would consume most of tomorrow.

The case against S. A. Mullins, Houston County tax collector, in which he was charged with violation of the Federal seed loan act, was the first called this morning, and Mullins entered a plea of guilty. The offense is a misdemeanor and the plea did not affect his status as county tax collector. Five sons of Mullins yesterday also pleaded guilty to violating the seed loan act, a misdemeanor, and not to a conspiracy to violate the act, as was erroneously reported. A conspiracy plea or conviction may be adjudged as misdemeanor or a felony within the discretion of the court.

Mullins will receive the judgment of the court on Feb. 9, along with his five sons.

Defense attorneys in the Riley-Donnell and Ray conspiracy trial, which opened after the Mullins's case had been disposed of, filed demurrers to the charges listing 48 counts, the chief contention being that the alleged offense occurred three years before indictments were returned and that the statute of limitation had expired. Judge Kennamer ruled in effect that it rested upon the Government to prove the alleged overt acts took place within the statute of limitations and that any subsequent acts could be considered within the province of the court.

It is reported that defense counsel will introduce records of the bank and fertilizer firm of which Riley is president to establish their client's innocence.

Among witnesses called by the Government this afternoon are I. O. Creeger, State inspector of seed loans for West Virginia and former seed loan field supervisor for Southeast Alabama, and George L. Hoffman, of Washington, in charge of seed loan activities.

Creeger and Hoffman, testified they went to the Donnell store in Daleville in February, 1930, to question Donnell about gin receipts and cotton in connection with the 1929 seed loans. Creeger testified Miss Marie Donnell was at the store and said she "broke down and cried" when he tried to locate her father. Hoffman also testified Miss Donnell cried and became hysterical when he inquired where her father was.

On cross-examination both denied that Miss Donnell said anything about her father being in Dothan where her mother was seriously ill.

Creeger testified Riley wouldn't give cotton warehouse receipts freely when he called on him many times in checking seed loan accounts of various farmers. Hoffman testified he went to the Donnell store several times in an effort to get cotton ginning records.

Dothan Druggist Begins Penitentiary Sentence

DOTHAN, ALA., Feb. 2.—(Special)—Earl E. Hammond, Dothan druggist, who pleaded guilty last July in United States Court to seed loan violation charges, and whose departure for the Federal penitentiary at Atlanta, has been postponed three different times, appeared at the Federal building, his last reprieve having expired. He was sentenced to serve a year and a day in the penitentiary, less the time he spent in the Montgomery County jail on a charge of contempt of court.

The druggist's first reprieve was granted him along with J. Henry Witherington, W. B. Jefferies and C. C. McArthur, being granted a second reprieve the day before the latter three left for the penitentiary. His third reprieve expired on Wednesday.